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ORIGINAL**BEFORE THE ARIZONA CORPORATION COMMISSION****RECEIVED**

Arizona Corporation Commission

COMMISSIONERS**DOCKETED**

KRISTIN K. MAYES, Chairman
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PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

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AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
TONTA HILLS UTILITY COMPANY FOR
APPROVAL TO CANCEL ITS CERTIFICATE OF
CONVIENCE AND NECESSITY AND TO SELL
ITS ASSETS TO TONTA HILLS DOMESTIC
WATER IMPROVEMENT DISTRICT.

DOCKET NO. W-20653A-09-0064

DOCKET NO. W-02483A-09-0064

PROCEDURAL ORDER**BY THE COMMISSION:**

On February 17, 2009, Tonto Hills Utility Company ("Tonto Hills") filed with the Arizona Corporation Commission ("Commission") an application to cancel its Certificate of Convenience and Necessity ("CC&N") and for approval of the sale of its assets to Tonto Hills Domestic Water Improvement District ("THDWID"). The application states that the THDWID is being formed so that it can acquire the assets of Tonto Hills, take over the day-to-day management of the utility, and provide water utility service to the property owners in the Tonto Hills Community.

On March 19, 2009, the Commission's Utilities Division ("Staff") filed an Insufficiency Letter in this docket, stating that Tonto Hills' application had not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

On April 6, 2009, Tonto Hills filed a copy of the notice sent to its customers regarding the application.

On May 12, 2009, Staff filed its Second Insufficiency Letter and requested Tonto Hills provide additional information.

On June 18, 2009, Staff filed a Sufficiency Letter stating that Tonto Hills' application had met the sufficiency requirements as outlined in the A.A.C.

On July 16, 2009, by Procedural Order, the hearing was set to begin on September 9, 2009, and other procedural deadlines were established.

On July 23, 2009, Staff filed a Request for Partial Administrative Closure. According to Staff's request, THDWID had been assigned a separate docket number (W-20653A-09-0064); however, because THDWID is a water improvement district it is not under the jurisdiction of the Commission and no docket number should have assigned. Therefore, Docket No. W-20653A-09-0064 should be administratively closed.

On August 3, 2009, Tonto Hills filed certification that notice of the application and hearing date had been published in the *Sonoran News*, a newspaper of general circulation, in the Tonto Hills' service area, and that all of Tonto Hills' customers had been notified via first class mail. Additionally, the notice advised that Mr. Steven C. Polgar, Esq., would be representing Tonto Hills in this matter.

On August 6, 2009, Harry L. Howe, Esq. filed a Notice stating he did not represent Tonto Hills in this proceeding.

On August 7, 2009, Staff filed a Staff Report recommending approval of Tonto Hills' application with conditions.

On August 17, 2009, THDWID filed for Leave to Intervene as a party in this matter.

On August 21, 2009, Mr. Steven C. Polgar, Esq. filed a Notice of Appearance, on behalf of Tonto Hills.

No objections have been filed regarding THDWID's Leave to Intervene. Accordingly, THDWID's intervention should be granted and Docket No. W-20653A-09-0064 should be administratively closed.

IT IS THEREFORE ORDERED that Docket Control shall administratively close Docket No. W-20653A-09-0064.

IT IS FURTHER ORDERED that the Tonto Hills Domestic Water Improvement District's Leave to Intervene is hereby granted.

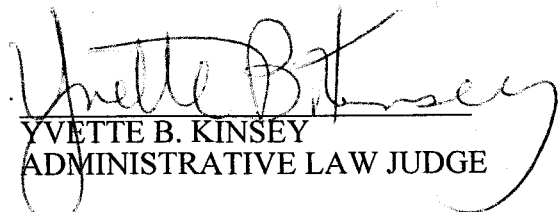
IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) applies to this proceeding as the matter is now set for public hearing, and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

1 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
2 of the Arizona Supreme Court and A.R.S. §40-243 with respect to the practice of law and admission
3 *pro hac vice*.

4 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
5 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
6 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
7 to appear at all hearings, procedural conferences, Open Meetings for which the matter is scheduled
8 for discussion, unless counsel has previously been granted permission to withdraw by the
9 Administrative Law Judge or Commission.

10 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
11 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

12 DATED this 25th day of August, 2009.

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15 
YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

16 Copies of the foregoing mailed
17 this 25th day of August, 2009, to:

18 Charles Dunning
19 TONTO HILLS UTILITY CO.
11802 East Blue Wash Road
Cave Creek, Arizona 85331

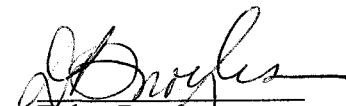
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By: 
Debra Broyles
Secretary to Yvette B. Kinsey